



**Texas Department of Transportation
Notice of Public Hearing Disclosure of Financial Information**

Interstate Highway 35E (I-35E) Projects

**I-35E Phase 2 Project - I-35E from I-635 to the Denton County Line in Dallas County
I-35E Breakout Project #1 - I-35E at Corporate Drive and Business SH 121 in Denton County
I-35E Breakout Project #2 - I-35E at FM 1171/Main Street in Denton County
CSJs: 0196-03-274, 0196-03-282, 0196-02-126, 0196-02-127, 0196-02-128**

DISCLOSURE OF FINANCIAL INFORMATION: Pursuant to the authority granted under Texas Transportation Code, Chapter 223, Subchapter F, the Texas Department of Transportation (TxDOT) has solicited proposals and recommended selection of a proposer for award of a design-build contract (DBC) and the associated capital maintenance contract (CMC) that includes the design, development, construction, and maintenance of the I-35E Phase 2 Project. TxDOT will also be letting the I-35E Breakout Project #1 and I-35E Breakout Project #2, respectively, to construction.

Pursuant to Transportation Code, Chapter 371, Subchapter D, TxDOT is publishing financial information regarding the I-35E Phase 2 Project, I-35E Breakout Project #1, and I-35E Breakout Project #2 and providing notice of a virtual public hearing that will be held regarding the financial disclosures of the projects.

TxDOT will be conducting an online virtual public hearing on the proposed I-35E Phase 2 Project, I-35E Breakout Project #1, and I-35E Breakout Project #2. The virtual hearing will consist of a pre-recorded video presentation and will include both audio and visual components. The presentation will be posted online on Thursday, July 29, 2021 at 6 PM and will remain online until Friday, August 13, 2021 at 11:59PM. Please note, this is not a live event. The materials can be viewed at your convenience. To view the virtual public hearing materials, go to the project website at the date and time indicated above: www.keepitmovingdallas.com/i35ePhase2. If you do not have internet access, you may call Ms. Ashton Strong, P.E., at (214) 320-6297 between the hours of 8 AM and 5 PM, Monday through Friday, or by e-mail at ashton.strong@txdot.gov, to ask questions and access project materials during the project development process. Comments may be provided by email, mail or voicemail as explained below.

INFORMATION ON THE PROPOSED PROJECTS

I-35E Phase 2 Project (CSJs: 0196-03-274 and 0196-03-282)

The I-35E Phase 2 Project from I-635E to the Denton County Line in Dallas County is currently being progressed through a design-build project delivery method. The department has agreed to “grandfather” and permit the reconstruction of the existing two reversible tolled managed lanes as part of the project scope. The project includes the reconstruction and widening of I-35E from six to eight mainlanes between I-635 and the Denton County line in Dallas County. The project also includes the reconstruction of the two existing, grandfathered reversible tolled managed lanes for a total of 10 mainlanes and tolled managed lanes, construction of continuous frontage roads, and improvements to numerous intersections.

Under the DBC, construction work will begin in late 2021 and the project is scheduled to be substantially completed in early 2026. No later than a specified time prior to completion, TxDOT may exercise its sole option to require the DB Contractor to provide capital maintenance services for the I-35E Phase 2 Project under a CMC for up to three consecutive five-year terms. TxDOT owns and will continue to own the project.

I-35E Breakout Project #1 (CSJs: 0196-02-126 and 0196-02-127)

The I-35E Breakout Project #1 includes the reconstruction of frontage roads and the reconstruction of the I-35E interchanges at Corporate Drive (CSJ: 0196-02-126) and Business SH 121 (CSJ: 0196-02-127) in Denton County. The project is currently being progressed through a design bid build project delivery. Following letting, construction work will begin in early 2025 and the project is scheduled to be substantially completed in early 2028.

I-35E Breakout Project #2 (CSJs: 0196-02-128)

The I-35E Breakout Project #2 includes the reconstruction of frontage roads and the grade-separated I-35E interchange at FM 1171 / Main Street in Denton County. The project is currently being progressed through a design bid build project delivery. Following letting, construction work will begin in early 2023 and the project is scheduled to be substantially completed in fall 2025.

Project Financing. TxDOT intends to fund the I-35E Projects with federal and state funding sources. No debt has been or will be assumed to acquire, design, construct, operate and maintain the projects.

Duration of Tolling. TxDOT will collect tolls on the I-35E Projects based on the most current Regional Transportation Council (RTC) policy.

Method for Setting Toll Rates. Market-based tolls are charged on the tolled managed lanes of the I-35E Projects. The toll rates are established to maintain a minimum average speed of 50 miles per hour in the tolled managed lanes. If demand is low, such as during off-peak hours, a lower toll rate is charged; if demand is high, such as during peak commute times, a higher toll rate may apply. Pursuant to the RTC Tolled Managed Lane Policy, the initial toll rate cap of \$0.75/mile (2010\$) was established and has been escalated annually. The escalated 2021 toll rate cap is \$0.93/mile. The toll rate cap will be considered “soft” during times of deteriorating performance when a controlled rate increase above the toll rate cap will be temporarily allowed.

Competing Facilities. TxDOT has the right to build any facilities at any time. There are no terms in the DBC related to competing facilities and there are no penalties associated with their construction.

Termination for Convenience. TxDOT has the right to terminate the DBC at any time without cause. If TxDOT elects to exercise this right, TxDOT must pay the DB Contractor for the design and construction work already performed under the DBC and the costs of terminating subcontracts.

Toll Rates. Based on demand projections and subject to Commission adoption, it is estimated that the toll rates charged will be as follows:

Price per Mile	2021 (in nominal \$)*	2041 (in nominal \$)
High	0.93	1.46
Low	0.19	0.33
* Based on observed 2021 data		

Methodology for increasing toll rates. The toll rate cap shall escalate annually in accordance with Consumer Price Index for All Urban Consumers (CPI-U), released every January.

Concession Payments. There will be no concession payments because this is not a concession project.

ADDITIONAL VIRTUAL PUBLIC HEARING INFORMATION

Copies of the draft DBC for the I-35E Phase 2 Project can be accessed on TxDOT's website at www.keepitmovingdallas.com/i35ePhase2. Any environmental documentation or studies, any maps and drawings showing the project locations and designs, tentative construction schedules, and other information regarding the proposed projects are on file and available for inspection Monday through Friday between the hours of 8 a.m. and 5 p.m. at the TxDOT Dallas District Office, 4777 East US Highway 80, Mesquite, TX 75150-6643.

The virtual public hearing will be conducted in English. If you need interpretation or translation services or you are a person with a disability who requires an accommodation to participate in the virtual public hearing, please contact Emily McCann, TxDOT Public Information Officer at (214) 320-4485 no later than 4 p.m. CT, July 26, 2021. Please be aware that advance notice is required as some services and accommodations may require time for TxDOT to arrange.

Comments from the public regarding the proposed projects are requested and may be submitted by mail to the TxDOT Dallas District Office, 4777 East US Highway 80, Mesquite, TX 75150-6643 or by email to ashton.strong@txdot.gov. Additionally, as stated above, members of the public may call (833)-933-0431 and verbally provide testimony from 6 p.m. on Thursday, July 29, 2021 through 11:59 pm on Friday, August 13, 2021. **All comments must be received on or before Friday, August, 13, 2021.** Responses to written comments received and public testimony provided will be available online at www.keepitmovingdallas.com/i35ePhase2 once they have been prepared.

If you have any general questions or concerns regarding the proposed projects or the virtual hearing, please contact Ms. Ashton Strong, P.E., at (214) 320-6297 or by e-mail at ashton.strong@txdot.gov.